



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

May 2, 2007

S. 735

Terrorist Hoax Improvements Act of 2007

As ordered reported by the Senate Committee on the Judiciary on April 25, 2007

CBO estimates that implementing S. 735 would have no significant cost to the federal government. Enacting the bill could affect direct spending and revenues, but CBO estimates that any such effects would not be significant. S. 735 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

S. 735 would broaden the coverage of current laws against the perpetration of hoaxes and would increase the penalties for certain offenses involving false statements. Thus, the government would be able to pursue cases that it otherwise would not be able to prosecute. We expect that S. 735 would apply to a relatively small number of offenders, however, so any increase in costs for law enforcement, court proceedings, or prison operations would not be significant. Any such costs would be subject to the availability of appropriated funds.

Because those prosecuted and convicted under S. 735 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Criminal fines are recorded as revenues, then deposited in the Crime Victims Fund, and later spent. CBO expects that any additional revenues and direct spending would not be significant because of the small number of cases affected.

The CBO staff contact for this estimate is Mark Grabowicz. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.